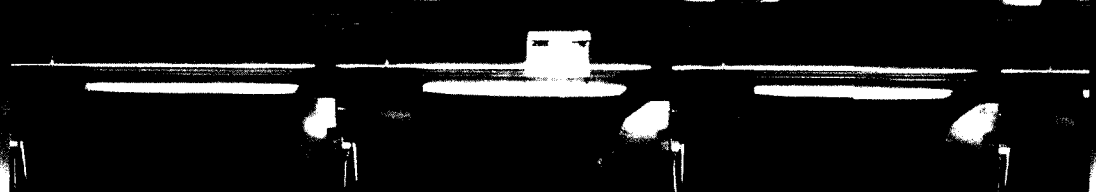
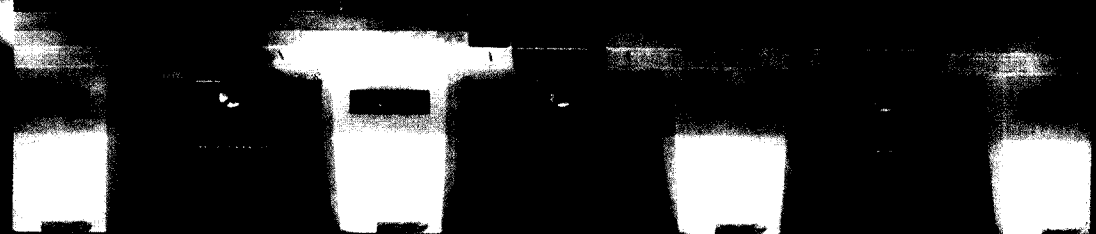


JSL JAYBHARAT SAREES LIMITED



20TH ANNUAL REPORT 2004 - 2005





BOARD OF DIRECTORS

Shri Saurabh Tayal – *Chairman*
Shri Raman Aggarwal- *Managing Director*
Shri Gaurav Thakur
Shri Akhilesh Kumar Vora
Shri Rajshekhar S.Ganiger
Shri Anil Kumar Dubey
Shri Subhash Chandra Nigam
Shri C.K.Porwal
Shri Farinda Bihari Rai
Shri Pravin Sharma
Shri Sanjay Nimbalkar

PRINCIPAL BANKER

Bank of Rajasthan Ltd.

AUDITORS

M/s Sanjay & Vijay Associates
Chartered Accountants

REGISTERED OFFICE

Village Salvav ,Taluka Pardi
Near Vapi, Valsad, Gujarat

CORPORATE OFFICE

396, Veer Savarkar Marg,
Opp. Siddhivinayak Temple,
Prabhadevi,
Mumbai 400025.

PLANTS

Bhilad & Vapi, Gujarat
Silvassa (U.T.of D.N.H.)

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ANNUAL GENERAL MEETING on Tuesday, 14th June 2005, at 12.30 p.m.,
at Village Salvav, Taluka Pardi, Vapi ,Gujrat

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NOTICE

NOTICE IS HEREBY GIVEN that the 20th Annual General Meeting of the Members of JAYBHARAT SAREES LIMITED will be held at the Registered Office of the Company i.e. Village Salvav Taluka Pardi Near Vapi Dist Valsad – 396 191 at 12.30 p.m. on Tuesday the 14th June 2005 to transact the following business:

ORDINARY BUSINESS

1. To receive ,consider and adopt the Company's Balance Sheet as at 31st March 2005 and Profit and Loss Account for the year ended on that date and Reports of Directors and Auditors thereon.
2. To declare a dividend for the year 2004-05.
3. To appoint a Director in place of Shri Anil Kumar Dubey, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Rajshekhar S. Ganiger, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Pravin Sharma, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To re-appoint M/s. Sanjay & Vijay Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix the Auditors' remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications the following resolutions **AS ORDINARY RESOLUTIONS :**

7. **"RESOLVED THAT** Shri Saurabh Tayal , who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on the 21st January 2005 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation."
8. **"RESOLVED THAT** Shri Raman Aggarwal , who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on the 21st January 2005 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation."
9. **"RESOLVED THAT** Shri C.K.Porwal , who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on the 21st January 2005 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation."
10. **RESOLVED THAT** Pursuant to section 198,269,309,310 and 311 and schedule XIII and other applicable provisions , if any , of the Companies Act,1956 the Company hereby approves the appointment made by the Board of Directors of the Company of Shri Raman Aggarwal as Managing Director w.e.f. 21st January ,2005 for a period of 3 years , upon the terms and conditions as set out in the Agreement executed on 21st January ,2005.
11. **"RESOLVED THAT :** pursuant to the recommendation of the Board of Directors in this behalf and pursuant further to Article 116 of Articles of Association and subject to the consent and other approvals, if any, a sum of Rs. 9,18,81000/- standing to the credit of Profit and Loss Account be and is hereby capitalized and aforesaid sum of Rs 9,18,81,000/- be applied for allotment of bonus shares to person whose name appear on the Register of members on a date to be specified by Board of Directors in the proportion of Nine such new equity shares for every One existing equity shares held by such persons respectively on the said date, upon the footing they become entitled thereto for all purpose as capital.

RESOLVED FURTHER THAT any of such new shares which on an exact distribution in the proportion aforesaid, would fall to be allotted in fractions be allotted in the name of Director of the Company upon trust to sell the same and divide the net proceeds amongst the shareholders entitled to such fractions pro-rata in accordance with their rights ; and such new equity shares ,as and when issued and fully paid , shall rank parri pasu with the existing issued equity shares. Such equity shares shall carry the right to receive dividend pro-rata.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle any question or difficulty whatsoever in regard to the issue and allotment of the aforesaid bonus shares including any fractional entitlement of members in such manner as it may think necessary or expedient."

To consider and, if thought fit, to pass with or without modifications the following resolution **AS ORDINARY RESOLUTION :**

12. **RESOLVED THAT** pursuant to the provisions of Section 81 (IA) and other applicable provisions if any of the Companies Act, 1956 and subject to the approval of SEBI, RBI etc. and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to issue Equity/Redeemable Preference Shares cumulative/non cumulative and/or shares not having voting rights (if permitted by law what so ever name called), Debentures secured or unsecured(Fully/Partly/Non Convertible and with or without interest), Bonds etc., with or without Detachable warrants of the aggregate value as may be decided by the Board of Directors of the Company with or without offering to the existing shareholders of the Company on Rights basis and/or to any Financial Institutions, Body Corporate or Persons by way of Private subscriptions and/or by a Public Issue to NRIs and to the general public and/or to employees of the Company, on such terms and conditions as to total amount of issue, Rate of Interest, Nominal Value, Convertibility, Time of conversion, Premium/Discount on issue, Premium on Conversion into shares, Nature of security, Disposal of un-subscribed portion, right to retain the excess subscription, Right of entitlement of Equity Shares if issued before full conversion of Debentures, Premium on Redemption, Period of Redemption and such other terms and conditions as the Board of Directors may deem fit”.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such documents and writings, as it may consider necessary, (under the common seal of the company if required and proper for the purpose of giving effect to the above Resolution)”

NOTES :

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto under item no 7 to 12 and forms an integral part of this notice.
2. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON (WHETHER A SHAREHOLDER OR NOT) AS HIS/HER PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL BE ENTITLED TO VOTE ONLY UPON A POLL.
3. The instrument(s) appointing the Proxy, if any, shall be delivered at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting and the instrument of proxy shall be treated as invalid in case of default.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Friday, the 10th June 2005 to Tuesday, the 14th June 2005 (both days inclusive) to comply with Annual Book Closure requirements.
5. All documents and agreements referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 10.00 A.M. and 1.00 P.M., up to the date of Annual General Meeting.
6. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.

For and on Behalf of the Board of Directors

Place: Mumbai

Date : 27th April 2005

Saurabh Tayal
Chairman

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 7 :**

Shri Saurabh Tayal was appointed as an Additional Director by the Board on the 21st January 2005 under Section on 260 of the Companies Act, 1956. He holds office till the conclusion of this Annual General Meeting. The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Saurabh Tayal for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors except Shri Saurabh Tayal is interested in this resolution.

ITEM NO. 8 :

Shri Raman Aggarwal was appointed as an Additional Director by the Board on 21st January 2005 under Section 260 of the Companies Act, 1956. He holds office till the conclusion of this Annual General Meeting. The Company has received a Notice along with the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Raman Aggarwal for the office of the Director of the Company.

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The Board recommends the passing of this resolution. None of the Directors except Shri Raman Aggarwal is interested in the resolution.

ITEM NO. 9 :

Shri C.K. Porwal was appointed as an Additional Director by the Board on 21st January 2005 under Section 260 of the Companies Act, 1956. He holds office till the conclusion of this Annual General Meeting. The Company has received a Notice along with the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri C.K.Porwal for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors except Shri C.K. Porwal is interested in the resolution.

ITEM NO.10 :

Shri Raman Aggarwal was appointed as Managing Director by the Board on 21st January, 2005 pursuant to section 198,269,308,309,310 and 311 and schedule XIII of the Companies Act 1956 subject to the approval of members in the General Meeting for a period of 3 years upon terms and conditions as set out in the Agreement dated 21st January,2005.

Broad terms and conditions of his appointment are as follows :

A. Salary : Rs. 10000/- P.M.

B. Perquisites : As per Company's Rules, subject to the ceilings prescribed under schedule XIII of the Companies Act ,1956.

The Board recommends the passing of this resolution. None of the Directors except Shri Raman Aggarwal is interested in the resolution.

ITEM NO. 11:

The Company has to the credit of its Profit and Loss account the sum of Rs 926.10 lacs as at 31st march 2005 .The Directors propose to capitalize a sum of Rs. 9,18,81,000 out of this to be applied for the issue of 91,88,100 new equity shares of Rs 10 /- each credited as fully paid up as bonus shares. Article 116 of the company's Articles of Association authorizes the capitalization and the issue of the bonus shares by the company in the manner proposed .The proposed resolution is intended to give effect to the above proposal . New equity shares will be issued and allotted as bonus equity shares in the proportion of Nine such new equity shares credited as fully paid up for every one of existing equity shares as proposed in the resolution. The said bonus equity shares shall rank pari passu in all respects with the existing equity shares except that new equity shares would not entitle for any dividend that may be declared before allotment thereof. The fraction entitlement if any of the respective members will be settled in the manner indicated in the resolution.

The proposed issue of bonus shares will be in compliance with applicable guidelines issued by Security Exchange Board of India in this respect. The bonus shares will be allotted to such members of the company whose name appear in the register of members of the company as on the date to be decided by the Board of Directors. Requisite application will also be made to various Stock Exchanges where the existing shares of the Company are already listed for permission to deal in such bonus shares.

The Directors recommend the Resolution for members' approval.

All the directors are deemed to be interested or concerned in this resolution to the extent of their shareholding.

ITEM NO.12:

The Company is regularly taking up and implementing various expansion plans for increase in the Knitting , Spinning , and Processing capacities as also modernization /balancing /debottlenecking of existing facilities in the wake of technological innovations and fast changing trends in fashions . In order to finance these activities, the company may be required to issue further Equity shares to persons other than members of the Company. Section 81 (1) of the Companies Act ,1956 ,inter alia , provides that whenever the Company propose to increase its Subscribed Capital , it shall be first offer such shares to the members of the Company. However, the Company may offer such further shares to non members if a special resolution to that effect has been passed by the members at a general meeting. The special resolution seeks to give , to the Board ,powers to issue securities in one or more tranches and at such time or times and such price or prices as the Board may , in its absolute discretion deem fit. The Board recommends the passing of these Resolutions.

None of the Directors is interested in the proposed Resolutions except of new shares that might be allotted to them in their capacity as shareholders.

For and on Behalf of the Board of Directors

Place:Mumbai
Date : 27th April 2005

Saurabh Tayal
Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 20th Annual Report and the audited Statements of Accounts of your Company for the financial year ended 31st March 2005.

FINANCIAL RESULTS

	2004-2005 (Rs. In lacs)	2003-2004 (Rs. In lacs)
Sales	7525.45	601.27
Other Income	0.00	0.43
Profit before Depreciation, Interest and Tax	1036.72	105.05
Interest & Finance Charges	0.04	0.01
Depreciation	9.27	9.85
Provision for Tax & Deferred Tax	100.25	11.49
Profit (Loss) for the year	927.16	83.73
Net Profit (Loss)	927.16	83.73
Profit / (Loss) brought forward from Previous Year	92.45	8.72
Profit / (Loss) carried to Balance Sheet	1025.79	92.45

Note : Previous year figures have been regrouped / rearranged wherever necessary

DIVIDEND

The Directors are pleased to recommend a dividend of Rs.2.00 per equity share. The dividend on new equity shares allotted during the year, will be paid on pro rata basis. The dividend (including tax payable by the Company) will absorb Rs.22.50 lacs.

BONUS SHARES

During the year Equity Capital has gone up from Rs. 24.90 lacs to Rs. 102.09 lacs consequent upon issue of 771900 bonus Equity Shares in the ratio 31:10 on 26th October, 2004 out of free reserves and further the Company has to the credit of its Profit and Loss account the sum of Rs 926.10 lacs as at 31st march 2005 .The Directors propose to capitalize a sum of Rs. 9,18,81,000 out of this to be applied for the issue of 91,88,100 new equity shares of Rs 10 /- each credited as fully paid up as bonus shares. New equity shares will be issued and allotted as bonus equity shares in the proportion of Nine such new equity shares credited as fully paid up for every one of existing equity shares as proposed in the resolution. The said bonus equity shares shall rank pari passu in all respects with the existing equity shares except that new equity shares would not entitle for any dividend that may be declared before allotment thereof. The proposed issue of bonus shares will be in compliance with applicable guidelines issued by Securities and Exchange Board of India in this respect.

OPERATIONS

The Company has achieved a sales turnover of Rs.7525.45 Lacs in F. Y. 2005 as against Rs.601.27 Lacs in F. Y. 2004. Cash accruals have increased to Rs.936.43 Lacs from Rs.93.58 Lacs in F. Y. 2004. The net profits has gone up to Rs.927.16 lacs in F. Y. 2005 from Rs.83.73 Lacs in F. Y. 2004. The P.B.D.I.T. has increased to Rs.1036.72 Lacs in F. Y. 2005 from Rs.105.05 Lacs in F. Y. 2004.

ACQUISITION OF SHARES OF ASAHI FIBRES LTD.

During the year under review , the Company has entered into Share Purchase Agreement on 8th January,2005 with promoters of Asahi Fibres Ltd., (herein after referred as "AFL") which is a 100% EOU sick Industrial Unit engaged in manufacturing , coarse cotton yarn for purchase of 20,12,770 Equity Shares @ Rs. 0.50 each constituting 33.31% of paid capital of AFL. As the result of this the Company has given an open offer to the shareholders of AFL. for purchase of 12,08,511 equity shares @ Re. 1/- each constituting 20% of paid up equity capital of the Company. The offer is going to be completed shortly.

The unit of AFL is located at Vapi Gujrat and has facilities for manufacturing open end cotton yarn . The purpose behind taking over AFL is to increase production capacity and and to achieve economies of large scale production. This will in turn help your company in strengthening its market presence within the existing line of business.

ACQUISITION OF PULGAON COTTON MILLS LTD.

During the year under review your Company has also purchased 100% equity of Pulgaon Cotton Mills Ltd. which was a subsidiary of Maharashtra State Textile Corporation Ltd. The unit is situated at Village Pulgaon Dist. Vardha. Presently, the production and other commercial activities of the unit are suspended. As a condition of purchase the unit is to be restarted with sufficient modernization and new machinery. Accordingly, your company is in process of installing 25000 spindles with new machinery as defined in the TUFs Scheme of Government of India.

FUTURE PLANS

The Company proposes to expand its presence in the textile value chain through the proposed project under the Technology Upgradation Fund Scheme (TUFs) of Government of India. The Project envisages setting up spinning facilities for 75600 spindles for the manufacture of cotton yarn and 10700 TPA manufacturing facility for processing of knitted fabrics at village salvav, Taluka Pardi, Vapi, Gujarat and is estimated to cost Rs. 26945 lacs. The Capital expenditure is proposed to be funded at a debt : equity ratio of 65:35 comprising debt of Rs. 17514 lacs and equity infusion of Rs. 9431 lacs. The project would commence commercial production from September, 2006.

DIRECTORS

During the year, Shri Rajan Aggarwal, Shri Anil Anand Rao and Shri Suresh Dattu Patil resigned from the Directorship of the Company. Your Directors place on record their appreciation of the services rendered by the Directors concerned. Shri Saurabh Tayal, Shri Raman Aggarwal & Shri C.K.Porwal was appointed as Additional Director of the Company during the year.

Shri Anil Kumar Dubey and Shri Rajshekhar Ganiger and Shri Pravin Sharma, Directors, retire by rotation and, being eligible, offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration of Rs.24,00,000/- or more per annum employed throughout the year or Rs.2,00,000/- or more, per month employed for a part of the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibilities Statement, it is hereby confirmed :

- (i) that in the preparation of the annual accounts for the financial year ended 31st March 2005, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) that the Directors had prepared the accounts for the financial year ended 31st March 2005 on a 'going concern' basis.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure forming part of this Report.

LISTING AGREEMENT

Your Company is committed to good corporate governance practice. Under clause 49 of the listing agreement, your Directors are pleased to inform that Company has implemented all the major stipulations prescribed under clause 49 of the listing agreement with the Stock Exchange. A certificate from the Statutory Auditors of the Company in line with clause 49 is annexed to and forms part of the Director's Report.

AUDITOR'S REPORT

The remarks made by the Auditors in their Report have been suitably dealt within the schedules and notes and therefore, do not call for any further clarification.

AUDITORS

M/s. Sanjay & Vijay Associates, Chartered Accountants, the Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the assistance and support extended by Banks, Consultants, Solicitors, Shareholders and Employees of the Company.

For and on Behalf of the Board of Directors

Place : Mumbai
Date : 27th April 2005

Saurabh Tayal
Chairman

ANNEXURE TO THE DIRECTORS' REPORT :

Information as per Section 217(1)(e), of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year 2003 - 2004

I. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

The Company has been making concerted efforts for enhancement in capacity utilisation, cost competitiveness and quality through systematic process monitoring and adherence to technological norms. Sophisticated instruments are used for regulation and adjustment as per parameters. Efforts are also made for upgradation of the quality of the Plant Operation. Utilities are being combined for effective energy conservation.

b) Additional Investments and Proposals being implemented for reduction of consumption of energy :

The Company, as a matter of policy, has a regular and ongoing programme for investments in energy saving devices. Studies are being made to reduce energy consumption and make suitable investments in this area, if necessary.

c) Impact of the measures (a) & (b) above for reduction of energy consumption and consequential impact on the cost of production of goods :

The Company has economised considerably the cost of power despite steep hike in the tariffs and is constantly exploring avenues for cost saving as an on-going process.

d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM A OF THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE THEREOF

	Year ended 31.03.2005	Year ended 31.03.2004
A. Power and Fuel Consumption in respect of :		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	63.18	0.00
2. Total amount (Rs. in lacs)	105	0.00
3. Rate per unit (Rs/unit)	6.41	0.00
(b) Own Generation		
(Through Diesel Generator/Furnace Oil)		
1. Units (KWH in Lacs)	50.86	5.40
2. Units per litre of fuel	3.64	3.62
3. Cost per unit (Rs/unit)	5.61	5.58
2. Coal	—	—
3. Furnace Oil	—	—
Others/Internal Generation	—	—
B. Consumption per unit of production		
(Product : Yarn & Fabric)		
1. Electricity (KWH/Tonne)	0.00	934.72
2. Coal (Kgs.)	—	—
3. Furnace Oil (Ltrs.)	—	—
4. Steam (Tonnes)	—	—

Note Since the Company manufactures different qualities of fabrics/yarns with product-mix changing significantly, there are no specific norms for per unit of production.

CORPORATE GOVERNANCE DISCLOSURE

The Company's Shares are listed on Mumbai Stock Exchange in India. As required by clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance in accordance with the SEBI prescribed format is given below :

1. Company's Philosophy on Code of Governance

The main goal of Corporate Governance is maximization of shareholder's value and protection of the interests of all the stakeholders. It includes the policies and procedures adopted by the company in achieving its objective in relation to its shareholders, employees , customers , and suppliers , regulatory authorities and society at large.

The Company has ensured that the directors of the Company are subject to their duties , obligations and responsibilities to the best interest of the company, to give direction and remain accountable to their shareholders and other beneficiaries for their actions. The responsibilities of the Board includes setting out the company's strategic aims, providing the leadership to put them into effect , supervision of the management of the business and reporting to the shareholders on their stewardship.

It is a recognized philosophy of the company that effective and good Corporate Governance is a must, not only in order to gain credibility and trust, but also as a part of strategic management for the survival , consolidation and growth.

2. Board of Directors

The Board of Directors consists of 11 Directors.

During the year 2004-2005, the Board met 6 times on the following dates namely 20th April 2004, 29th June 2004, 30th July 2004, 26th October 2004, 21st January,2005 and 21st March ,2005

The maximum time-gap between any two meetings was not more than three calendar months.

The following table gives details of Directors, attendance of Directors at the Board Meetings and at the last Annual General Meeting, number of membership held by Directors in the Board / Committees of various companies :-

Name	Category	Attendance Particulars		Number of other directorships and Total Committee membership/Chairmanships		
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Shri Saurabh Tayal (appointed as Additional Director w.e.f. 21.01.05)	NEC	1	Yes	2	1	1
Shri Raman Aggarwal (appointed as Additional Director w.e.f. 21.01.05)	MD	1	NO	1	Nil	Nil
Shri Anil Rao (Resigned as Director w.e.f. 21.1.05)	ID	1	No	1	Nil	Nil
Shri Gaurav Thakur	D	5	No	1	Nil	Nil
Shri Rajan Aggarwal (resigned w.e.f.21.1.05)	NEC	4	Yes	1	Nil	Nil
Shri Akhilesh Kumar Vora	ID	1	No	Nil	Nil	Nil
Shri Rajshekhhar S. Ganiger	ID	4	No	1	Nil	Nil
Shri Anil Kumar Dubey	ID	4	Yes	1	Nil	Nil
ShriSubhash C. Nigam	ID	2	No	Nil	Nil	Nil
Shri Suresh Dattu Patil (Resinged as Director w.e.f.. 21.1.05)	ID	Nil	No	Nil	Nil	Nil
Shri Farindra Bihari Rai	ID	3	No	1	Nil	Nil
Shri Pravin Sharma	ID	3	No	1	Nil	Nil
Shri Sanjay Nimbalkar (Appointed as Director w.e.f. 30/07/2004)	ID	Nil	No	1	Nil	Nil
Shri C. K. Porwal (appointed as Additional Director w.e.f. 21.01.05)	ID	1	No	Nil	Nil	Nil

NEC = Non-Executive Chairman, MD = Managing Director, ID = Independent Director.

None of the Directors is a member in more than ten committees and acts as a Chairman in more than five committees across all companies in which he is a Director.





Re-appointment of Directors

As required under Clause 49(VI) of the Listing Agreement the brief details of the directors seeking re- appointment at the ensuing Annual General Meeting are furnished hereunder :-

SI No	Name of Director	Brief Resume	Area of Expertise	Other Directorships	Other Committee Memberships
1	Shri Anil Kumar Dubey	Born in 1958 Shri Dubey is a Science graduate and having Diploma in Textile Technology. He has more than 20 years experience different field of Textile like OE spinning , R/F spinning, post spinning S.Q.C. etc.	OE spinning , R/F spinning, post spinning S.Q.C.	KSL & Industries Ltd.	Nil
2	Shri Rajshekhar Ganiger	Shri Rajshekhar Ganiger, 40 yrs , is having diploma in Textile Technology and more than 16 years experience in Textile Industry. He is specialized in double yarn T.F.O.	Doubling, T.F.O.	KSL & Industries Ltd.	Nil
3.	Shri Pravin Sharma	Pravin Sharma , 34 years is B.E. (Electrical) and having around 10 years experience in Textile Industry.	Electrical Engg.	KSL & Industries Ltd.	Nil

3. Audit Committee

a. Brief description and terms of reference

The Audit Committee shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose shall have full access to information contained in the records of the company and external professional advice, if necessary. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, shall be binding on the Board.

b. Composition, name of members and Chairman

The Audit Committee comprises Mr. Rajshekhar S Ganiger, as Chairman of the Committee, with Mr. Anil Kumar Dubey, Mr. Subhash C Nigam and Mr. Pravin Sharma as members of the Committee.

c. Attendance

During the year 2004-2005, the Audit Committee met 3 times on the following dates namely 29th June 2004, 30th July 2004, and 21st January 2005.

Name of Member	Designation	Attendance
Shri Rajshekhar Ganiger	Chairman	3
Shri Anil Kumar Dubey	Member	3
Shri Subhash Nigam	Member	2
Shri Pravin Sharma	Member	2

4. Remuneration Committee

The Company does not have a Remuneration Committee. The remuneration payable to the Managing Director and the Non-Executive Directors is approved by the Board of Directors with the overall limits fixed by the members of the Company at the general meetings.

5. Shareholders' / Investors' Grievance Committee

The Committee comprises of Shri Rajshekhar S Ganiger, Chairman, Shri Anil Kumar Dubey and Shri Pravin Sharma, as members of the Committee. The Committee, inter alia, looks into redressing of shareholders'/investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc. The Committee oversees the performance of the Share Department of the Company and recommends measures for overall improvement of the quality of investor services. The Board of Directors has delegated the power for approving transfer of securities to the managing director and Chairman of the Company.

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During the year 2004-2005, the Investor Grievance Committee met 3 times on the following dates namely 29th June 2004, 30th June 2004, and 21st January 2005.

Name of Member	Designation	Attendance
Shri Rajshekhar Ganiger	Chairman	3
Shri Anil Kumar Dubey	Member	3
Shri Pravin Sharma	Member	2

Name & Designation of Compliance Officer- Mr. Mukesh Kumar Dey , Secretarial Officer

No of Shareholder's Complaint received so far- Nil

Number not solved to the satisfaction of shareholders- Nil

Number of pending complaints- Nil

6. General Body Meetings

The last three Annual General Meetings of the Company were held as under :-

Year	Location	Date	Time
2003-2004	Poonam Vinod Jagan Park Chala, Vapi Gujarat	10 th September,2004	1.30 P.M.
2002-2003	Near Deli Village, Sanjan Road, Valsad, Gujarat	30 th September 2003	1.30 P.M.
2001-2002	Near Deli Village, Sanjan Road, Valsad, Gujarat	6 th September 2002	10.00 A.M.

Following Special Resolutions were passed at 17th Annual General Meeting of the Company held on 6th September,2002 :

1. Resolution for Increase of Authorized Share Capital from Rs. 25 lacs to Rs. 5 Crores. and for alteration of Articles of Association
2. Resolution for commencement of New business as per section 149 (2A) of the Companies Act 1956
3. Resolution for giving authority to the Board for making investment up to Rs. 10 Crores pursuant to section 372(A) of the Companies Act ,1956
4. Resolution for giving authority to the Board for borrowing in excess of paid up Capital and Free Reserves of the Company pursuant to Section 293 (1) (d) of the Companies Act, 1956
5. Resolution for making allotment to the persons other than existing shareholders of the Company pursuant to section 81(1) (1-A) of the Companies Act,1956

Note:

No postal ballots were used / invited for voting at these meetings in respect of special resolutions passed, as there were no such provisions in the Companies Act 1956 at that time.

7. Disclosures

- (a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors of the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company at large.

- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There were no instances of non-compliance of any matter related to the capital markets during the last three years.

8. Means of Communication

- (a) The Company has published its quarterly results in The Free Press Journal and Loksatta-Jansatta.

- (b) Management Discussion and Analysis forms integral part of this annual report.

9. General Shareholder Information

9.1 Annual General Meeting

- Date and time : 14th June 2005 at 12.30 P.M.

- Venue : Village Salvav , Taluka Pardi , N.H. 8
Near Vapi Dist Valsad Gujarat
- 9.2 Financial Year** : 1st April to 31st March
- Financial Calendar 2004-2005**
(tentative) : Annual General Meeting – (Next year)
July 2006
- Board Meetings**
- Results for the quarter ending June 30, 2005 : Last week of July 2005
- Results for the quarter ending September 30, 2005 : Last week of October 2005
- Results for the quarter ending December 31, 2005 : Last week of January 2006
- Results for the year ending March 31, 2006 : Last week of April 2006
- 9.3 Book Closure date** : 10th June 2005 to
14th June 2005
(Both Days Inclusive)
- 9.4 Dividend Payment date** : 18th June 2005
- 9.5 (a) Listing of Equity shares** : The Stock Exchange , Mumbai
- (b) Demat ISIN Number in**
CDSL for Equity Shares : INE091E01013
(Note : Annual listing fees for the year 2005-2006 has been duly paid to the Stock Exchange, Mumbai)
- 9.6 Stock Code** : 512233
- 9.7 Stock Market Data (As on 31st March ,2005 :**

Jaybharat Sarees Limited				
Month	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares
April 2004	75.10	72.50	75.10	150
May 2004*	---	---	---	---
June 2004*	---	---	---	---
July 2004*	---	---	---	---
August 2004*	---	---	---	---
September 2004	96.40	78.50	94.60	5000
October 2004	30.45	24.20	30.45	2000
November 2004	67.20	36.50	67.20	1150
December 2004	90.00	70.55	90.00	5300
January 2005	101.20	91.80	101.20	2600
February 2005	109.45	103.20	109.45	1700
March 2005	111.60	111.60	111.60	50

Not traded

- 9.8 Performance in comparison to broad –based indices such as BSE sensdex, CRISIL index etc.**
The shares of the Company are listed at Mumbai Stock Exchange , the Stock Market Details of which has been given as above.
- 9.9 Registrar &Share Transfer Agent** : The Company has its Share Department at
Raghuvanshi Mills Compound,Near Tata
Power S B Marg, Lower Parel Mumbai - 400013

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9.10 Share Transfer System

: All the transfers received are processed and approved by Share Transfer Committee which normally meets twice a month. Shares under objection are returned within two weeks.

9.11 Shareholding Pattern as on 31st March, 2005

Category	No. of shares held	Percentage of shareholding
1. Promoter's Holding	699829	68.55
2. Mutual Funds, Banks, Financial Institutions, FII's, NRIs & OCBs	0	0.00
3. Domestic Companies	0	0.00
4. Resident Individuals	321071	31.45
Total	1020900	100.00

9.12 Dematerialisation of Shares

: Shares of the Company can be held and traded in electronic form.

9.13 Outstanding GDR/ADR / Warrants or any convertible instruments , conversion date and likely impact on equity

: N.A.

9.14 Plant Location

: Bhilad, & Vapi Valsad, Gujarat
Silvassa (U.T. of D.N.H.)

9.15 (i) Address for Investor Correspondence

For transfer / dematerialization of shares payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debentures of the Company

Corporate Office,
396, Veer Savarkar Marg
Opp. Siddhi Vinayak Temple
Prabhadevi, Mumbai – 400 025.

(ii) Any query on Annual Report

Village Salvav , Taluka Pardi, Near Vapi, Gujarat – 396 195

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the members of JAYBHARAT SAREES LIMITED

We have examined the compliance of the conditions of Corporate Governance by JAYBHARAT SAREES LIMITED for the year ended 31st March 2005 as stipulated in Clause 49 of the listing agreement of the Company with stock exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinions and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above listing agreement.

We state that in respect of investor grievances received during the year ended 31st March 2005 no investor grievances are pending against the Company as on 27th April 2005 as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SANJAY & VIJAY ASSOCIATES**
CHARTERED ACCOUNTANTS

Place : Mumbai
Dated : 27th April 2005

VIJAY BHANDARI
PARTNER

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

The management of JAYBHARAT SAREES LTD presents its analysis report covering performance and outlook of the Company. The report has been prepared in compliance with the requirement of corporate governance as laid down in the Listing Agreement. The management accepts responsibility for the integrity and objectivity of the financial statements. However, investors and readers are cautioned that this discussion contains certain forward looking statements that involve risk and uncertainties.

a) Industry structure and Developments

The global textile trade is set to triple to US\$ 856 billion over the next decade, driven mainly by the WTO mandated lifting of quota restrictions on developing countries. This spells gains for all participants in the textile industries of cost competitive countries like India and China but the biggest opportunities are in the segments like garments and home textiles (current market size-USD 70 billions), which caters to end customers rather than intermediate manufacturer in textile value chain. The Scale of operations and strong customer relationships in USA and European Union EU markets would thus be key competitive advantages.

The post 2005 era is expected to be characterized by drastic shift in the production pattern. Currently , Korea and Tiwan supply fibre and fabric to garment manufacturing bases such as the Bangladesh, Srilanka and Vietnam where conversion takes place. The abolishment of quotas is expected to see the entire textile chain shift to China and India where entire gamut of operations ranging from fibre to appareal will be centralized under common roof. Shorter fashion cycles and compressed lead times will force global retailers to look at countries that are totally integrated and are capable of acting as one stop shops.

b) Opportunity and Threats

India , with its shares of 14% in global cotton textile trade , is second only to China in the global market. India's cotton textile exports have grown at an annualized 6% over the past five years , as compared with the world average of 2% . This growth reflects the country's cost competitiveness in the business. The increasing seperation of consumption and production centres is expected to lead an annualized growth of 6% in cotton textile trade from US\$ 31 billion in 1999 to US\$ 59 billion in 2010. India with its dominant market share has a head start in the segment

Disabandment of 84% of quotas from January ,2005 is expected to trigger a US\$ 500 billion rise in global textile trade. India's share in global trade is likely to grow the fastest given that its current quota allocation is amongst the lowest. It currently has 2% of US and 4% of EU quotas as against 19% and 26% for China . India's textile export are slated to grow at a CAGR of 21% to US\$ 50 billion by 2010. India has the full diversity textile sector spanning the entire value chain from fibre production through spinning , weaving, knitting, dyeing, and finishing to final production of apparels and home textiles.

As the global textile trade inches towards a regime without any quantitative restrictions , textile trade is bound to experience seismic effects of unrestricted export growth , after a prolonged period of protection commencing in early sixties. In the light of the advantages , which developing countries like India and its peers in south Asia have such cost competitiveness coupled with good quality , many international retailers , labels and importers are viewing India a big textile out sourcing sector.

Although certain Regional trade blocks and trade agreements can change competitive parameters. Also ,increase in protectionism policies through non tariff barrier may adversely effect the positon.

c) Segment-wise performance

The Company's single products namely Knitted fabrics can be categorised into one segment called " Textile". Hence segment reporting as required under AS-17 issued by ICAI and made mandatory w.e.f. 1/04/2001 for the certain business enterprises is not applicable in case of our Company. The overall performance of the Company is provided in Directors' Report under the head "Financial Results."

d) Outlook

As the industrial and economic growth of the country is showing steadily improvement The Company has drawn out and is implementing an extensive action plan which comprises thrust on high margin products, reduction in raw material costs, rationalization of operations and over-heads, optimising inventory level, selective credit policy to customers and liquidation of slow-moving inventories and overdue receivables.

The Company with its superior product mix and higher value-addition , coupled with the change in industry scenario like more fiscal incentives as announced by Government of India for textile industry, change in consumer preferences from woven to knitted clothes etc , is expected to benefit significantly.

Forward looking statements are based on certain assumptions and expectations of the future events that are subject to risks and uncertainties. Actual future results and trend may differ materially from historical results, depending on variety of factors.

e) Risk and Concern

There are no major risk and concern to the Company's operation except from the competitive pricing pressure from cheaper imports, unethical competitions from sick units, free market policies and removal of quantitative restrictions.

f) Internal Control system and their adequacy

The Company's internal control systems are adequate , considering size and nature of operation of the Company , to meet regulatory/statutory requirements assure recording of all transactions and report reliable and timely financial information. Additionally , it also provides protection against misuse or loss of any of the company assets.The company is implementing SAP as an Enterprise Resource Planning (ERP) package , which enhances the internal control mechanism.

Your Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. The adequacy of internal controls is reviewed by the audit committee of the Board of directors.

g) Financial Performance Vs. Operational Performance

The Company has achieved a sales turnover of Rs.7525.45 Lacs in F. Y. 2005 as against Rs.601.27 Lacs in F. Y. 2004. Cash accruals have increased to Rs.936.43 Lacs from Rs.93.58 Lacs in F. Y. 2004. The net profits has gone up to Rs.927.16 lacs in F. Y. 2005 from Rs.83.73 Lacs in F. Y. 2004. The P.B.D.I.T. has increased to Rs.1036.72 Lacs in F. Y. 2005 from Rs.105.07 Lacs in F. Y. 2004.

h) Development in Human Resources/Industrial Relation front

As part of HR-initiatives, thrust is given for Leadership Development to meet the aspirations and long-term goals of the Company. The Company has also laid qualitative objectives to maximize overall growth. Emphasis was placed on building a cohesive workforce to maximize returns to all stakeholders. Focused attention was given for knowledge updating and application of new technologies available to reduce costs and to meet the business challenges.

The focus of Human resource is on building and developing intellectual capital through innovative ideas. The industrial relation climate of the Company continues to remain harmonious with focus on quality and safety.

i) Research and Development :

Increased globalization has made the marketing of products and retention of customers highly competitive. The need of the hour is total customer satisfaction and value for money from the products marketed. Keeping this objective as paramount, the research and development activities were focused into prompt attention to major customer complaints/suggestions in order to retain/enhance customer satisfaction. The Company has started launching products of better quality and new look as per customer requirements.

AUDITORS' REPORT

To,
The Members of
JAYBHARAT SAREES LIMITED

We have audited the attached Balance Sheet of **JAYBHARAT SAREES LIMITED** as at 31st March, 2005, the Profit and Loss Account of the Company for the year ended on that date and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that : -
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been prepared in compliance with the Accounting standards referred to in Section 211 (3C) of the Act, to the extent applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2005 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2005 from being appointed as a director of the Company in terms of Section 274 (1) (g) of the Act.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts along with notes to the accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India :
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005,
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and ;
 - iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **M/s SANJAY & VIJAY ASSOCIATES**
Chartered Accountants

VIJAY BHANDARI
Partner

Place : Mumbai
Date : 27th April, 2005

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2005 OF JAYBHARAT SAREES LIMITED.

On the basis of such checks/ audit procedures as we considered appropriate on the books of accounts produced and according to the information and explanation given to us during the course of audit, we state that:

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Fixed Assets.
 - (b) The management has at reasonable intervals carried out the physical verification of the fixed assets. No material discrepancies have been noticed on such verification.
 - (c) No assets have been disposed by the company during the year , therefore this clause is not applicable.
2. In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of the stocks, the frequency of such verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) In our opinion, company is maintaining proper records of inventory for the period under audit. The discrepancies noticed on physical verification of the above-referred inventories as compared to the book records were not material and have been properly dealt with in the books of account.
3. The company had not granted nor taken any loans ,secured or unsecured to / from Companies, firm or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly Sub-clause (b), (c) & (d) are not applicable to the company.
4. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act , 1956:
 - (a) We are of the opinion that the transactions that need to be entered into the register under section 301 have been so entered.
 - (b) In respect of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to Rs.5,00,000/- (Rupees Five Lacs only) or more in respect of each party have been made at prices which are reasonable having regards to the prevailing market price for such goods, materials or services or the prices at which the transactions for similar goods are services have been made with other parties, where applicable.
6. The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of Section 58A and 58AA of the Companies Act, 1956 and Rules made there under are not applicable.
7. In our opinion, the internal audit system of the Company commensurate with its size of the company and nature of its business.
8. We are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government of India under Section 209 (1) (d) of the Act have been maintained. However we have not carried out any detailed examination of such accounts and records.
9. In respect of statutory dues:
 - (a) The Company is regular in depositing undisputed statutory dues including the Provident Fund and Employees State

Insurance, Income Tax, Sales Tax, Wealth Tax, Cess and other material statutory dues with appropriate authorities though there is delay in some cases.

- (b) There are no disputed statutory dues that have not been deposited with the appropriate authorities. Accordingly, clause [ix (b)] is not applicable.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and immediately preceding year.
11. The company has neither taken any loans from a financial institution and a bank nor issued any debentures. Accordingly clause [xi] is not applicable.
12. The Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit fund, Nidhi, mutual benefit fund or a society. Accordingly clause [xiii] is not applicable.
14. During the year, the Company has not dealt in dealing and trading of shares, securities, debentures and other investments. Accordingly clause [xiv] is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from bank or financial institutions. Accordingly clause [xv] is not applicable.
16. No term loans were acquired during the year by the company. Accordingly clause [xvi] is not applicable.
17. In our opinion the company has financed, the long-term investment through internal accruals accordingly clause [xvii] is not applicable.
18. The Company has not made any preferential allotment of shares during the year. Accordingly clause [xviii] is not applicable.
19. The Company has not issued any secured debentures. Accordingly clause [xix] is not applicable.
20. The Company has not raised any money by public issues during the year covered by our report. Accordingly clause [xx] is not applicable.
21. In our opinion, no fraud on or by the company has been noticed or reported during the course of our audit.

For **M/s SANJAY & VIJAY ASSOCIATES**
Chartered Accountants

Place : Mumbai
Date : 27th April, 2005

VIJAY BHANDARI
Partner

ANNUAL REPORT 2004-2005**BALANCE SHEET AS AT 31ST MARCH, 2005**

	SCHEDULES	AS AT 31ST MARCH'2005 (RS.IN LACS)	AS AT 31ST MARCH'2004 (RS.IN LACS)
A. SOURCES OF FUNDS :-			
1	Share Holders Fund :		
a)	Share Capital	"A" 102.09	24.90
b)	Reserves & Surplus	"B" 926.10	92.45
		1028.19	117.35
2	Deferred Tax Liability	22.31	2.62
		22.31	2.62
	TOTAL :	1050.50	119.97
B. APPLICATION OF FUNDS			
1	Fixed Assets	"C"	
	Gross Block	842.35	175.50
	Less: Depreciation	12.94	9.85
	Net Block	829.41	165.65
2	Investments	"D" 523.53	0.00
3	Current Assets Loans & Advances :	"E"	
a)	Sundry Debtors	142.76	15.73
b)	Inventories	1099.79	16.23
c)	Cash & Bank Balances	9.39	5.69
d)	Loans & Advances	521.58	1.76
		1773.52	39.41
	Less : Current Liabilities & Provisions	"F" 2075.96	85.09
		-302.44	-45.68
	TOTAL :	1050.50	119.97

SIGNIFICANT ACCOUNTING POLICIES AND
NOTES FORMING PART OF THE ACCOUNTS

"M"

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR M/S. SANJAY & VIJAY ASSOCIATES
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(VIJAY BHANDARI)
PARTNER

SAURABH TAYAL
Chairman

RAMAN AGARWAL
Managing Director

PLACE : MUMBAI
DATE : 27 April, 2005

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2005

PARTICULARS	SCHEDULES	AS AT 31ST MARCH'2005 (RS.IN LACS)	AS AT 31ST MARCH'2004 (RS.IN LACS)
A. INCOME			
a) Income from Operation	"G"	7525.45	601.27
b) Other Income	"H"	0.00	0.43
c) Increase/(Decrease) in stock		641.54	4.85
TOTAL :		<u>8166.99</u>	<u>606.55</u>
B. EXPENSES			
a) Material & Goods Consumed	"I"	5938.37	409.43
b) Manufacturing Expenses	"J"	1018.03	71.60
c) Selling & Administrative Expenses	"K"	173.87	20.44
d) Interest & Financial Charges	"L"	0.04	0.01
e) Depreciation		9.27	9.85
TOTAL :		<u>7139.58</u>	<u>511.33</u>
Profit/(Loss) before Taxation		<u>1027.41</u>	95.22
Less:Provision For Taxation		80.56	8.87
Deferred Tax Liabilities		19.69	2.62
Profit after Tax		<u>927.16</u>	83.73
Profit/(Loss) B/F From Previous Year		92.45	8.72
Add: Depreciation right back on Change of depreciation Policy		6.18	0.00
AMOUNT AVAILABLE FOR APPROPRIATION		<u>1025.79</u>	<u>92.45</u>
APPROPRIATIONS			
Proposed Dividend		20.42	
Tax on Dividend		2.08	
Profit/(Loss) Carried to Balance Sheet		<u>1003.29</u>	
Basics/ Diluted Earning Per Share: (Note 'N') (Face value of Rs. 10 per share) (Rupees)			
Basic and diluted		90.82	33.63
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS	"M"		

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR M/S. SANJAY & VIJAY ASSOCIATES
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(VIJAY BHANDARI)
PARTNER

SAURABH TAYAL
Chairman

RAMAN AGARWAL
Managing Director

PLACE : MUMBAI
DATE : 27 April, 2005

SCHEDULE A TO M ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH' 2005. AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	AS AT 31ST MARCH'2005 (RS.IN LACS)	AS AT 31ST MARCH'2004 (RS.IN LACS)
SCHEDULE "A" : SHARE CAPITAL		
AUTHORISED		
1,05,00,000 Equity Share of Rs. 10/- each (previous year 5,00,000 Equity Shares of Rs. 10/- each)	1050.00	50.00
ISSUED SUBSRIBED, & PAID UP		
10,20,900 Equity Shares of Rs.10/-each (Previous year 2,49,000) (Including 7,71,900 bonus Shares Issued by Capitalising Reserves)	102.09	24.90
TOTAL	102.09	24.90
SCHEDULE "B" : Reserves & Surplus		
NET PROFIT AS PER PROFIT AND LOSS ACCOUNT	1003.29	92.45
Less: amount transferred to Capital account for issuos of Bonus Shares	77.19	0.00
TOTAL	926.10	92.45

SCHEDULE "C" :FIXED ASSETS AS AT 31ST MARCH, 2005

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	AT ON 01-04-2004	ADDITION/ DEDUCTION	AS ON 31.03.2005	AS ON 01.04.2004	DURING THE YEAR	WRITTEN BACK	UPTO 31.03.2005	AS ON 31.03.2005	AS ON 31.03.2004
LAND AT SILVASSA	23.00	0.00	23.00	0.00	0.00	0.00	0.00	23.00	23.00
LAND AND SITE DEVELOPMENT	0.00	400.00	400.00	0.00	0.00	0.00	0.00	400.00	0.00
PLANT & MACHINERY	126.87	178.98	305.85	9.43	7.84	6.18	11.09	294.76	117.44
BUILDING	25.63	0.00	25.63	0.42	0.86	0.00	1.28	24.35	25.22
FURNITURE & FIXTURES	0.00	0.17	0.17	0.00	0.00	0.00	0.00	0.17	0.00
MOTOR VEHICLE	0.00	13.20	13.20	0.00	0.57	0.00	0.57	12.63	0.00
MACHINERY UNDER INSTALLATION	0.00	8.58	8.58	0.00	0.00	0.00	0.00	8.58	0.00
BUILDING UNDER CONSTRUCTION	0.00	65.92	65.92	0.00	0.00	0.00	0.00	65.92	0.00
TOTAL	175.50	666.85	842.35	9.85	9.27	6.18	12.94	829.41	165.66
PREVIOUS YEAR	0.00	175.50	175.50	0.00	9.85	0.00	9.85	165.66	0.00

	AS AT 31ST MARCH'2005 (RS.IN LACS)	AS AT 31ST MARCH'2004 (RS.IN LACS)
SCHEDULE "D" : INVESTMENT		
LONG TERM INVESTMENTS		
22750000 EQUITY SHARES OF PULGAON COTTON MILLS LTD OF RS.10 EACH FULLY PAID UP	523.53	0.00
TOTAL	523.53	0.00

	AS AT 31ST MARCH'2005 (RS.IN LACS)	AS AT 31ST MARCH'2004 (RS.IN LACS)
SCHEDULE "E" : CURRENT ASSETS, LOAN AND ADVANCES		
A. CURRENT ASSET		
1 Sundry Debtors		
Unsecured considered good less than six months	142.76	15.73
TOTAL	142.76	15.73
2 Inventories		
Stock of raw material & WIP	453.40	11.38
Finished Goods	646.39	4.85
TOTAL	1099.79	16.23
3 Cash & Bank Balance		
Balance with Banks	2.00	0.09
Cash in hand	7.39	5.60
TOTAL	9.39	5.69
B. LOANS & ADVANCES		
(Recoverable in cash or kind or for value to be received)	521.58	1.76
TOTAL	521.58	1.76
GRAND TOTAL	1773.52	39.41
SCHEDULE "F" : CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
1) SUNDRY CREDITORS		
For Goods	158.56	4.16
For Expenses & Other Liabilities	1813.20	69.61
TOTAL	1971.76	73.77
B. PROVISIONS		
Provision For Taxation	81.70	11.32
Proposed Dividend	20.42	0.00
Tax on Dividend	2.08	0.00
TOTAL	104.20	11.32
TOTAL	2075.96	85.09
SCHEDULE "G" :INCOME FROM OPERATIONS		
Sales	7525.45	591.14
Income From job charges	0.00	10.13
TOTAL	7525.45	601.27
SCHEDULE "H" :OTHER INCOME		
Interest Income	0.00	0.43
TOTAL	0.00	0.43

ANNUAL REPORT 2004-2005

	AS AT 31ST MARCH'2005 (RS.IN LACS)	AS AT 31ST MARCH'2004 (RS.IN LACS)
SCHEDULE "I" : MATERIALS AND GOODS CONSUMED		
Opening Stock	11.38	0.00
Add: Purchase	6380.38	420.81
Less: Stock of Raw materials & WIP	453.40	11.38
Material & Goods Consumed	<u>5938.37</u>	<u>409.43</u>
Increase in stock of finished Goods		
Closing Stock	646.39	4.85
Opening Stock	4.85	0.00
	<u>641.54</u>	<u>4.85</u>
SCHEDULE "J" : MANUFACTURING EXPENSES		
Labour Charges	493.93	32.86
Power & Fuel Exp.	390.34	30.13
Repair & Maintainace	8.43	1.64
Spares, consumable & Packing Material	125.33	6.97
	<u>1018.03</u>	<u>71.60</u>
SCHEDULE "K" : SELLING & ADMINISTRATIVE EXPENSES		
Salaries & Bonus	16.45	3.61
Staff Welfare Expenses	4.06	0.68
Electricity Charges	2.21	0.33
General Expenses	10.42	1.58
Insurance	2.60	0.00
Repairs & Maintenance	7.95	0.56
Postage & Telegram	3.52	0.49
Regestrarion & Filing Fees	1.05	0.22
Auditors Remuneration	0.11	0.11
Rent, Rates & Taxes	1.24	0.84
Shop Maintenance	1.21	0.43
Consultancy Charges	3.41	0.48
Legal & Professional Charges	2.70	0.87
Conveyance/Travelling Expenses	10.86	1.19
Advertisement Expenses	8.74	2.46
Printing & Staitonary	10.74	0.29
Carriage Outword	51.38	1.56
Discount and Commission	15.07	2.53
Sale and Business Promotion	13.74	1.47
Director Sitting Fees	0.12	0.00
Telephone Charges	6.02	0.74
Motor Car Expenses	0.27	0.00
TOTAL	<u>173.87</u>	<u>20.44</u>
SCHEDULE "L" : INTEREST & FINANCIAL CHARGES		
Bank charges	0.04	0.01
Interst Expenses	0.04	0.01
TOTAL	<u>0.04</u>	<u>0.01</u>

SCHEDULE "M":

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

I SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP"), and in compliance with the Accounting Standards referred to in section 211 (3C) and other requirements of the Companies Act, 1956 except noted in note No. 9.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts/advances etc. Actual results could differ from these estimates.

2. REVENUE RECONGNITION:

Sales are recognised on dispatch of goods to customers.

3. VALUATION OF INVENTORIES:

Inventory consist of Raw material and finished goods, which are valued, at cost or net realizable value, whichever is lower.

4. FIXED ASSETS :

Fixed assets are stated at cost of acquisition less depreciation. The cost comprises the purchase price and other attributable costs directly related to the assets.

5. DEPRECIATION :

The company follows the straight line method of providing depreciation at the rate prescribed in schedule XIV to the companies Act 1956 read with Section 205(2) (b) of the said Act on pro-rata basis uniformly on in respect of all assets.

6. INVESTMENTS :

Long Term Investments are stated at cost, a provision for diminution in value of investments, if any, is made if such diminution is other than temporary.

7. FOREIGN CURRENCY TRANSACTION:

Foreign currency transactions are accounted for at the rates prevailing on the dates of the transactions. Foreign currency assets and liabilities are converted at contracted/ year-end rates as applicable.

8. RETIREMENT BENEFITS:

Gratuity and Leave encashment is accounted for on cash basis as and when paid.

9. TAXES ON INCOME:

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provision of the Income Tax Act, 1961, and based on expected outcome of assessment / appeals.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

II NOTES OF ACCOUNTS

(A) 1 There are no contracts remaining to be executed on Capital account therefore no advance are to be paid against such contracts.

2 Contingent liabilities not provided for during the year are Nil (Previous year Rs. Nil).

(B) The company has not paid any remuneration to directors. (Previous year NIL).

(C) Auditor's remuneration is included in Administrative and Other expenses. The break up is as follows.

	CURRENT YEAR	PREVIOUS YEAR
(a) Audit Fees	11,000	10,800

(D) Aquisition of Pulgaon Cotton Mills Ltd.

The Company has Investments of Rs. 523.53 lacs in 22750000 Equity Shares of Pulgaon Cotton Mills Ltd. The market value of the Equity Shares as at 31st March, 2005 is not available as the Company is not listed Company.

ANNUAL REPORT 2004-2005**(E) Additional information pursuant to the provision of paragraph 3 & 4 in part II of Companies Act, 1956.**

Quantitative information pertaining to goods manufacturing, turnover, stock and Raw Material Consumed (Rs.in 000's)

	200 4-05		2003-04	
	Qty (Tonnes)	Value (in 000)	Qty (Tonnes)	Value (in 000)
MANUFACTURING				
YARN				
I Opening Stock				
Raw Material & SIP	22.216	1138.34	Nil	Nil
Finished Goods	6.505	485.13	Nil	Nil
II Closing Stock				
Raw Material & SIP	886.518	45339.55	22.216	1138.34
Finished Goods	944.852	64639.47	6.505	485.13
III Purchase	12298.366	638037.86	624.047	31976.16
IV Sales	9938.420	752545.15	575.130	48072.64
Raw Material Consumed	11434.064		601.831	

TRADING**Sarees & Dress Materials**

			Qty (Mtrs)	Value (in 000)
I Sales				
Finished	NIL	NIL	62734.28	11041.23
II Purchase				
Finished	NIL	NIL	62734.28	10104.79

(F) The balance of advances, debtors and creditors are subject to confirmation and reconciliation, if any.

(G) The company has a single business segment namely 'Textiles' hence segment reporting as required under AS-17 issued by ICAI and made mandatory w.e.f. 01.04.2001 for certain business enterprises is not applicable in case of the company.

(H) There is no payments due to small scale industries.

(I) Gratuity and Leave encashment is accounted for on cash basis as and when paid.

(J) The company recognizes for Deferred Tax Assets / Liabilities on the basis of the timing difference. Company has no DTA and in respect of DTL arising out of depreciation for the year has been recognised of Rs. 22.31 Lacs (Previous Year Rs. 2.62 Lacs)

(K) Earnings Per Share:

i. Net Profit as per Profit & Loss Account (Rs in Lacs)	Rs. 927.16
ii. Number of equity shares	1020900
iii. Basic and Diluted Earning per share of Rs. 10 each	Rs.90.82

(L) The figures, for the previous year are recasted and regrouped wherever necessary as to make them comparable with those of current year.

SIGNATURE TO SCHEDULE "A" to "M"

FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR M/S. SANJAY & VIJAY ASSOCIATES

CHARTERED ACCOUNTANTS

(VIJAY BHANDARI)

PARTNER

PLACE : MUMBAI

DATE : 27 April, 2005

SAURABH TAYAL

Chairman

RAMAN AGARWAL

Managing Director

ADDITIONAL INFORMATION UNDER PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956**I. REGISTRATION DETAILS**

Registration No. : 11553 of 84-85 State Code : 04
Balance sheet Date : 31.03.2005

II. CAPITAL RAISED DURING THE YEAR (Rs. in Lacs)

Public Issue : Nil Right Issue : Nil
Bonus Issue : 77.19 Private Placement : Nil

III. POSITION TO THE MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. in Lacs)

Total Liabilities : 1050.50 Total Assets : 1050.50

SOURCE OF FUNDS

Paid-up Capital : 102.09 Secured Loans : Nil
Reserves & Surplus : 926.10 Unsecured Loans : Nil
Deferred Tax liability : 22.31

APPLICATION OF FUNDS

Net Fixed Assets : 829.41 Investments : 523.53
Net Current Assets : -302.44 Misc. Expenditure : Nil
Accumulated Losses : Nil

IV PERFORMANCE OF COMPANY

Turnover : 7525.45 Other Income : 0
Total Expenses : 7139.58 Profit/(Loss) before Tax: 1027.41
Profit/(Loss) after Tax : 927.16 Earning Per Share : 90.82
Dividend Rate % : Nil

V General Names of Principal Product/ Trading

Item Code No.(ITC Code) : 52-05
Product description : Cotton Yarn

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR M/S. SANJAY & VIJAY ASSOCIATES
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(VIJAY BHANDARI)
PARTNER

SAURABH TAYAL
Chairman

RAMAN AGARWAL
Managing Director

PLACE : MUMBAI
DATE : 27 April, 2005

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005

	2004-2005 (RS.IN LACS)	2003-2004 (RS.IN LACS)
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ACTIVITIES	1 027.41	95.22
Adjustment for Non Cash Charges	0.00	0.00
Depreciation & Amortisation	9.27	9.85
Dividend	0.00	-0.43
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>1 036.69</u>	<u>104.63</u>
Adjustment for .	0.00	0.00
Trade and Other Receivables	-646.87	20.60
Inventories	-1 083.56	-16.23
Trade Payable	1 897.99	66.31
CASH GENERATED FROM OPERATION	<u>1 204.26</u>	<u>175.31</u>
Direct taxes paid	10.18	0.38
NET CASH FROM OPERATING ACTIVITIES	<u>1 194.08</u>	<u>174.93</u>
	0.00	0.00
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	666.85	175.50
Sale of Fixed Assets	0.00	0.00
Purchase of investments	523.53	0.00
Dividend and Other Income received	0.00	0.43
NET CASH USED IN INVESTING ACTIVITIES	<u>-1 190.38</u>	<u>-175.07</u>
	0.00	0.00
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of shares capital	0.00	0.00
Total proceeds from borrowing	0.00	0.00
share application money	0.00	0.00
Dividend paid	0.00	0.00
NET CASH FROM FINANCING ACTIVITIES	<u>0.00</u>	<u>0.00</u>
	0.00	0.00
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	<u>3.70</u>	<u>-0.15</u>
CASH AND CASH EQUIVALENTS(Opening Balance)	5.69	5.84
CASH AND CASH EQUIVALENTS(Closing Balance)	<u>9.39</u>	<u>5.69</u>
	3.70	-0.15

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR M/S. SANJAY & VIJAY ASSOCIATES
 CHARTERED ACCOUNTANTS

(VIJAY BHANDARI)
 PARTNER

PLACE : MUMBAI
 DATE : 27 April, 2005

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SAURABH TAYAL
 Chairman

RAMAN AGARWAL
 Managing Director

**Statement Pursuant to Section 212 of the companies Act 1956
relating to company's interest in subsidiary companies for financial year 2004-05**

Name of the Subsidiary Company	Pulgaon Cotton Mills Ltd.
1 Financial Year of the Subsidiary Company	31st March, 2005
2 Date from which they become subsidiary Company the subsidiary company	14th March, 2005
3 A Numbers of shares held by Jaybharat Sares Ltd. with its nominees in the subsidiary of the financial year of the company	22750000 Equity Shares of Rs. 10/- each
b Extent of interest of holding company at the end of the financial year of subsidiary company	100%

DETAILS OF SUBSIDIARY COMPANY

1 CAPITAL	22750000
2 RESERVE	0
3 TOTAL ASSETS	228480121
4 TOTAL LIABILITIES	228480121
5 DETAILS OF INVESTMENT	25
6 TOTAL INCOME	10587259
7 PROFIT (LOSS) BEFORE TAXATION	-36616082
8 PROVISION FOR TAXATION	0
9 PROFIT(LOSS) AFTER TAXATION	-36616082

AUDITORS' REPORT

To,
The Members of
JAYBHARAT SAREES LIMITED

We have audited the attached Consolidated Balance Sheet of **JAYBHARAT SAREES LIMITED** as at 31st March, 2005, the Consolidated Profit and Loss Account of the Company for the year ended on that date and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that : -
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been prepared in compliance with the Accounting standards referred to in Section 211 (3C) of the Act, to the extent applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2005 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2005 from being appointed as a director of the Company in terms of Section 274 (1) (g) of the Act.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts along with notes to the accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India :
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Jaybharat Sarees Limited and its subsidiaries as at 31st March, 2005,
 - ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Company for the year ended on that date and ;

For **M/s SANJAY & VIJAY ASSOCIATES**
Chartered Accountants

Place : Mumbai
Date : 27th April, 2005

VIJAY BHANDARI
Partner





JAYBHARAT SAREES LIMITED - CONSOLIDATED STATEMENT

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2005

	SCHEDULES	AS AT 31ST MARCH'2005 (RS.IN LACS)
A. SOURCES OF FUNDS :-		
1	Share Holders Fund :	
	a) Share Capital	102.29
	b) Reserves & Surplus	925.25
		<hr/> 1027.34
2	Deferred Tax Liability	22.31
3	Loan Funds	9.80
		<hr/> 32.11
	TOTAL :	<hr/> 1059.45 <hr/>
B. APPLICATION OF FUNDS		
1	Fixed Assets	"C"
	Gross Block	1226.99
	Less: Depreciation	363.04
	Net Block	863.95
	Add :- Capital WIP	0.16
		<hr/> 864.11
	Goodwill	484.67
2	Investments	0.00
3	Current Assets Loans & Advances :	"E"
	a) Sundry Debtors	142.76
	b) Inventories	1103.23
	c) Cash & Bank Balances	9.44
	d) Loans & Advances	542.82
		<hr/> 1798.25
	Less : Current Liabilities & Provisions	"F"
		2087.58
		<hr/> -289.33
	TOTAL :	<hr/> 1059.45 <hr/>

SIGNIFICANT ACCOUNTING POLICIES AND
NOTES FORMING PART OF THE ACCOUNTS

"M"

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR M/S. SANJAY & VIJAY ASSOCIATES
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(VIJAY BHANDARI)
PARTNER

SAURABH TAYAL
Chairman

RAMAN AGARWAL
Managing Director

PLACE : MUMBAI
DATE : 27 April, 2005

ANNUAL REPORT 2004-2005**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2005**

PARTICULARS	SCHEDULES	AS AT 31ST MARCH'2005 (RS.IN LACS)
A. INCOME		
a) Income from Operation	"G"	7525.45
b) Other Income	"H"	0.00
c) Increase/(Decrease) in stock		641.54
TOTAL :		8166.99
B. EXPENSES		
a) Material & Goods Consumed	"I"	5938.37
b) Manufacturing Expenses	"J"	1018.03
c) Selling & Administrative Expenses	"K"	173.87
d) Interest & Financial Charges	"L"	0.04
e) Depreciation		10.12
TOTAL :		7140.43
Profit/(Loss) before Taxation		1026.56
Less:Provision For Taxation		80.56
Deferred Tax Liabilities		19.69
Profit after Tax		926.31
Profit/(Loss) B/F From Previous Year		92.45
Add: Depreciation right back on Change of depreciation Policy		6.18
AMOUNT AVAILABLE FOR APPROPRIATION		1024.94
APPROPRIATIONS		
Proposed Dividend		20.42
Tax on Dividend		2.08
Profit/(Loss) Carried to Balance Sheet		1002.44
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS	"M"	

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR M/S. SANJAY & VIJAY ASSOCIATES
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(VIJAY BHANDARI)
PARTNER

SAURABH TAYAL
Chairman

RAMAN AGARWAL
Managing Director

PLACE : MUMBAI
DATE : 27 April, 2005

JAYBHARAT SAREES LIMITED - CONSOLIDATED STATEMENT

CONSOLIDATED SCHEDULE A TO M ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH' 2005. AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

**AS AT 31ST
MARCH'2005
(RS.IN LACS)**

SCHEDULE "A" : SHARE CAPITAL

AUTHORISED

1,05,00,000 Equity Share of Rs. 10/- each 1050.00

ISSUED SUBSRIBED, & PAID UP

10,20,900 Equity Shares of Rs.10/-each 102.09
(Including 7,71,900 bonus Shares Issued by Capitalising Reserves)

TOTAL 102.09

SCHEDULE "B" : Reserves & Surplus

NET PROFIT AS PER PROFIT AND LOSS ACCOUNT 1002.44

Less: amount transferred to Capital account for issus of Bonus Shares 77.19

TOTAL 925.25

SCHEDULE "C" :FIXED ASSETS AS AT 31ST MARCH, 2005

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET
	AS ON 01-04-2004	ADDITION/ DEDUCTION	AS ON 31.03.2005	AS ON 01.04.2004	DURING THE YEAR	WRITTEN BACK	UPTO 31.03.2005	AS ON 31.03.2005
LAND AT SILVASSA	23.10	0.00	23.10	0.00	0.00	0.00	0.00	23.10
LAND AND SITE DEVELOPMENT	0.00	400.00	400.00	0.00	0.00	0.00	0.00	400.00
PLANT & MACHINERY	466.13	178.98	645.11	322.24	8.59	6.18	324.65	320.46
BUILDING	56.22	0.00	56.22	23.35	0.91	0.00	24.26	31.96
FURNITURE & FIXTURES	3.71	0.17	3.88	3.46	0.01	0.00	3.47	0.41
MOTOR VEHICLE	3.99	13.20	17.19	3.79	0.59	0.00	4.39	12.81
MACHINERY UNDER INSTALLATION	0.00	8.58	8.58	0.00	0.00	0.00	0.00	8.58
BUILDING UNDER CONSTRUCTION	0.00	65.92	65.92	0.00	0.00	0.00	0.00	65.92
OFFICE EQUIPMENTS	2.51	0.00	2.51	2.00	0.01	0.00	2.00	0.50
ELECTRICAL FITTING	4.48	0.00	4.48	4.26	0.01	0.00	4.27	0.21
TOTAL	560.14	666.85	1226.99	359.10	10.12	6.18	363.04	863.95
ADD : CAPITAL WIP	0.16	0.00	0.16	0.00	0.00	0.00	0.00	0.16
TOTAL	560.30	666.85	1227.15	359.10	10.12	6.18	363.04	864.11

**AS AT 31ST
MARCH'2005
(RS. IN LACS)**

SCHEDULE "D" :INVESTMENT

Long Term Invetment at Cost (Unquoted) 0.00

One Share of Rs. 25/- in Deoli Sahakari Shekari Kharedi Vikri Samiti Ltd.

TOTAL 0.00

AS AT 31ST
MARCH'2005
(RS.IN LACS)**SCHEDULE "E" : CURRENT ASSETS, LOAN AND ADVANCES****A. CURRENT ASSET**

1	Sundry Debtors (Unsecured considered good)	
	a) Debtors exceeding 6 Months	0.00
	b) Others	142.76
	TOTAL	142.76
2	Inventories	
	Stock of raw material & WIP	456.84
	Finished Goods	646.39
	TOTAL	1103.23
3	Cash & Bank Balance	
	Balance with Banks	2.05
	Cash in hand	7.39
	TOTAL	9.44
B. LOANS & ADVANCES		
	(Recoverable in cash or kind or for value to be received)	542.82
	Branch/Division	0.00
	Capital Advances	0.00
	TOTAL	542.82
	GRAND TOTAL	1798.25

SCHEDULE "F" : CURRENT LIABILITIES & PROVISIONS**A. CURRENT LIABILITIES**

1)	SUNDRY CREDITORS	
	Audit Fee Payable	
	For Goods	-65.94
	For Expenses & Other Liabilities	2049.32
		1983.38
B PROVISIONS		
	Provision For Taxation	81.70
	Proposed Dividend	20.42
	Tax on Dividend	2.08
	TOTAL	104.20
		2087.58

SCHEDULE "G" :INCOME FROM OPERATIONS

Sales	7525.45
Income From job charges	0.00
	7525.45

SCHEDULE "H" :OTHER INCOME

Interest Income	0.00
	0.00

JAYBHARAT SAREES LIMITED - CONSOLIDATED STATEMENT**AS AT 31ST
MARCH'2005
(RS.IN LACS)****SCHEDULE "I" : MATERIALS AND GOODS CONSUMED**

Opening Stock	11.38
Add: Purchase	6380.38
Less: Stock of Raw materials & WIP	453.40
Material & Goods Consumed	<u>5938.37</u>

Increase in stock of finished Goods

Closing Stock	646.39
Opening Stock	4.85
	<u>641.54</u>

SCHEDULE "J" : MANUFACTURING EXPENSES

Labour Charges	493.93
Power & Fuel Exp.	390.34
Repair & Maintainace	8.43
Spares, consumable & Packing Material	125.33
	<u>1018.03</u>

SCHEDULE "K" : SELLING & ADMINISTRATIVE EXPENSES

Salaries & Bonus	16.45
Staff Welfare Expenses	4.05
Electricity Charges	2.21
General Expenses	10.42
Insurance	2.60
Repairs & Maintenance	7.95
Postage & Telegram	3.52
Regestration & Filing Fees	1.05
Auditors Remuneration	0.11
Rent, Rates & Taxes	1.24
Shop Maintenance	1.21
Consultancy Charges	3.41
Legal & Professional Charges	2.70
Conveyance/Travelling Expenses	10.86
Advertisement Expenses	8.74
Printing & Staitonary	10.74
Carriage Outword	51.38
Discount and Commission	15.07
Sale and Business Promotion	13.74
Director Sitting Fees	0.12
Telephone Charges	6.02
Motor Car Expenses	0.28
TOTAL	<u>173.87</u>

SCHEDULE "L" : INTEREST & FINANCIAL CHARGES

Bank charges	0.04
Interst Expenses	
TOTAL	<u>0.04</u>

**SCHEDULE 'M'
SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

1. a. ACCOUNTING CONCEPTS

The financial statement have been prepared under the historical cost convention and the accrual basis of accounting. The accounts of parent company and the subsidiary have been prepared in accordance with the accounting Company follows the mercantile system of Accounting and recognises Income and Expenditure on accrual basis. The accounts are prepared on historical cost basis, as a going concern, and are consistent with generally accepted accounting principles.

b. PRINCIPLE OF CONSOLIDATION

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS-21) issued by the Institute of Chartered Accountants of India. The consolidated financial statements have been prepared on the following basis :

- The financial statement of Jaybharat Sarees Limited. And its subsidiary companies have been combined on a line-by line basis by adding together the book values of like items of assets, liabilities, Income and expenses, after fully eliminating intra-group balances and intra-group transaction.
- The difference between the cost of investment in subsidiary, over the net assets at the time of acquisition of shares in subsidiary is recognized in the financial statements as Goodwill.
- Company has acquired 100% equity of subsidiary.
- Investment other than in subsidiary have been accounted as per Accounting Standard (AS)13 "Accounting for Investment".
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

c. FIXED ASSETS

Fixed Assets are stated at cost of acquisition less depreciation. The cost comprises the purchase price and other attributable costs directly related to he cost of the asset.

d. DEPRECIATION

Depreciation on fixed assets has been provided on Straight line method at the rates prescribed in Schedule XIV to the Companies (Amendment) Act 1988 read with Section 205(2) (b) of the said Act on pro-rata basis uniformly in respect of all assets.

e. INVENTORIES

Inventories are valued at cost or net realisable value, whichever is lower.

NOTES ON ACCOUNTS TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. The subsidiary companies considered in the consolidated financial statements is:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest
Pulgaon Cotton Mills Ltd.	India	100%

The company has invested Rs. 523.53 Lakhs to acquire 100% equity of Pulgaon Cotton Mills Limited located at Pulgaon. On the date of such investment the company has Total Reserve of Rs. NIL and total accumulated Losses were 2236.14 Lacs.

The necessary adjustments in consolidated accounts is made in accordance with the Accounting Standard- 21 " Consolidated Financial Statement" and Goodwill of Rs. 484.67 Lacs recognized on such consolidation.

2. The company has a single business segment namely "Textiles" hence segment reporting as required under AS-17 issued by ICAI and made mandatory w.e.f. 1/04/2001 for certain business enterprises is not applicable in case of company.

3. EARNING PER SHARE

Basic and Diluted Earnings Per Share is calculated as under :

- a. Net Profit as per Profit & Loss A/c (Rs.in lacs) 1026.56
- b. Weighted average Number of equity shares 1020900
- c. Basic and diluted Earning per share (Rs.) 100.55
(Face value Rs. 10 each)

4. Since the consolidated financial statements have been prepared for the first time, the comparable figures for the previous year have not been presented.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR M/S. SANJAY & VIJAY ASSOCIATES

CHARTERED ACCOUNTANTS

(VIJAY BHANDARI)

PARTNER

SAURABH TAYAL

Chairman

RAMAN AGARWAL

Managing Director

PLACE : MUMBAI

DATE : 27 April, 2005

ATTENDANCE SLIP

JAYBHARAT SAREES LIMITED

Registered Office : Village Salvav, Taluka Pardi, Near Vapi, Valsad, Gujarat

(PLEASE COMPLETE THIS SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL)

TWENTYTH ANNUAL GENERAL MEETING

Member's Name (in capital letters)

Folio No. No. of Shares held

DP. ID	
--------	--

Client ID	
-----------	--

I hereby record my presence at the Twenth Annual General Meeting of the company being held on Tuesday, 14th June 2005 at 12.30 p.m. at Village Salvav, Taluka Pardi, Near Vapi, Valsad, Gujarat.

Signature of the Shareholder or Proxy

* Applicable for investors holding shares in electronic form

----- CUT HERE -----

PROXY FORM

JAYBHARAT SAREES LIMITED

Registered Office : Village Salvav, Taluka Pardi, Near Vapi, Valsad, Gujarat

DP. ID	
--------	--

Regd. Folio No.	
-----------------	--

Client ID	
-----------	--

I/We

of

being a member/members of the Company, hereby appoint

of in the District of

or failing him of in the District of

or failing him of in the District of

as my/our Proxy to vote for me/us on my/our behalf at the Twentyth Annual General Meeting of the Company to be held on Tuesday, the 14th June 2005 at 12.30 p.m. of at any adjournment thereof.

Signed this Day of 2005

* Applicable for investors holding shares in electronic form.

Affix Re. 1/- Revenue Stamp

Note : The Proxy form duly completed and signed must deposited at the Registered Office of the Company, not less the 48 hours before the meeting.



JSL JAYBHARAT SAREES LIMITED

Corporate Office:

396 Veer Savarkar Marg, Opp. Siddhivinayak Temple,
Prabhadevi, Mumbai 400 025.

Tel: 2437 3044 Telefax: 2422 8386

Regd. Office:

Village - Salvan N. H. No. 8, Taluka - Pardi,
Near Vapi, Dist. - Valsad (Gujarat) - 396 191.
Tel: 0260 - 309 6579/80

